

Message Text

UNCLASSIFIED

PAGE 01 TORONT 00433 152236Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 USIA-15
IO-14 EB-08 TRSE-00 COME-00 /094 W
-----128271 160805Z /16

R 152144Z MAR 78
FM AMCONSUL TORONTO
TO SECSTATE WASHDC 7002
INFO AMEMBASSY OTTAWA
AMCONSUL MONTREAL
AMCONSUL QUEBEC

UNCLAS TORONTO 0433

E.O. 11652: N/A
TAGS: PINT, ECON, CA
SUBJ: CHRETIEN CAPTIVATES UNIVERSITY OF TORONTO AUDIENCE
ON NATIONAL UNITY THEME

1. IN A WELL-RECEIVED SPEECH THAT MIXED PREPARED TEXT WITH
EXTEMPORANEOUS REMARKS, FEDERAL FINANCE MINISTER JEAN CHRETIEN
REVIEWED THE HISTORICAL PATH TO TODAY'S QUEBEC SITUATION AND
UNDERLINED THE ECONOMIC PROBABILITIES OF DECENTRALIZATION AS
AN ALTERNATIVE TO BOTH QUEBEC SEPARATION AND THE CURRENT
ECONOMIC AND SOCIAL MALAISE. HIS MARCH 13 ADDRESS AT THE
UNIVERSITY OF TORONTO WAS ENTITLED "THE ROLE OF FRENCH
CANADA IN CONFEDERATION".

2. CHRETIEN TRACED THE DEVELOPMENT OF TODAY'S QUEBEC SITUA-
TION FROM ITS ORIGINS IN NEW FRANCE TO THE UNEQUALI-
TIES NOTED IN THE REPORT OF THE ROYAL COMMISSION ON BILINGUAL-
ISM AND BICULTURALISM. "THE REAL TEMPTATION FOR YOUNG FRENCH
CANADIANS IS TO MAKE THESE DIFFERENCES DISAPPEAR QUICKLY,
AND WITH THE HELP OF THE APPARATUS OF GOVERNMENT.....
THE PRESSURE FOR GOVERNMENT ACTION COMING FROM YOUNG
PEOPLE, AND SOME PEOPLE NOT SO YOUNG, IS DANGEROUS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TORONT 00433 152236Z

BECAUSE IT RISKS OBLIGATING GOVERNMENT TO SEEK
RESULTS WHERE ITS ERRORS CAN HAVE ENORMOUS COSTS. IN
THE LONG RUN THIS CAN ONLY HELP DISCREDIT GOVERNMENT.
AS THE PRESENT GOVERNMENT OF QUEBEC IS READY TO RES-
POND TO SUCH DEMAND, THERE IS A DANGER THAT IT WILL
TRY TO FORESEE EVERYTHING, CONTROL EVERYTHING AND THROW
ITSELF INTO MAJOR INITIATIVES WHICH CAN RESULT IN FIN-

ANCIAL DISASTERS. TOO MANY PEOPLE TODAY, ESPECIALLY IN QUEBEC, THINK THAT HASTY ACTIONS BY GOVERNMENT CAN BE EFFECTIVE AND CAN RE-ESTABLISH A BALANCE IN NO TIME, UNFORTUNATELY, THESE ARE ONLY MIRAGES, AND MIRAGES WILL NEVER DELIVER."

3. CHRETIEN THEN NOTED THAT MANY SEE "AN OBVIOUS POLITICAL SOLUTION TO OUR ECONOMIC AND SOCIAL MALAISE, AND THAT IS TO REWRITE THE CONSTITUTION, AND TO EMPHASIZE THAT FAVORITE CATCHWORD, DECENTRALIZATION. HOW OFTEN HAVE WE HEARD THAT DECENTRALIZATION WILL SAVE THE COUNTRY? TO RE-ESTABLISH UNITY, IT IS SAID, ALL WE HAVE TO DO IS GIVE MORE POWER AND FINANCIAL RESOURCES TO THE PROVINCIAL GOVERNMENTS". MR. CHRETIEN EMPHASIZED THAT FEW IF ANY COUNTRIES ARE MORE DECENTRALIZED THAN CANADA, AND WONDERED HOW FAR CANADA CAN FURTHER DECENTRALIZE ECONOMICALLY WITHOUT INADVERTENTLY TEARING APART. THE DANGER IS A LOOSE ASSOCIATION OF PRACTICALLY INDEPENDENT REGIONS, A SORT OF "POCKET-SIZED COMMON MARKET". DECENTRALIZATION OF RESPONSIBILITY FOR REGIONAL ECONOMIC DEVELOPMENT WOULD PRECIPITATE AN INTER-PROVINCIAL SCRAMBLE TO INCREASE TAX INCENTIVES AND/OR DIRECT GRANTS. THESE WOULD CANCEL EACH OTHER OUT. NO REGION WOULD GAIN AN ADVANTAGE IN NEW INVESTMENT, ALL REGIONS WOULD PROBABLY INCREASE THEIR COSTS (THROUGH HIGHER SUBSIDIES UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TORONT 00433 152236Z

OR LOSS OF TAX REVENUES). ONLY INVESTORS WOULD BENEFIT. CHRETIEN STRESSED THERE IS NO "GOLDEN RULE" FOR REVENUE SHARING IN THE EXISTING CONSTITUTION OR IN A NEW CONSTITUTION. AS EMPHASIS SHIFTS FROM ONE GOVERNMENTAL TASK TO ANOTHER, REVENUE SHARES MUST BE REVIEWED. "IN THIS AREA, CONSTITUTIONAL RULES ARE A PERISHABLE COMMODITY."

4. CHRETIEN TOLD HIS AUDIENCE THAT "THE MOST IMPORTANT ECONOMIC CHALLENGE WE SHOULD ACCEPT IS TO INTEGRATE FRENCH CANADIANS, ESPECIALLY THE YOUNG PEOPLE AS HIGHLY EDUCATED AS THEIR ENGLISH-SPEAKING COMPATRIOTS, INTO THE ECONOMIC LIFE OF THE COUNTRY."

5. ANSWERING POLITE AND GENERALLY INNOCUOUS QUESTIONS, MR. CHRETIEN TOOK POTSHOTS AT THE PARTI QUEBECOIS ("THEY CAN NO LONGER PHILOSOPHIZE; NOW THEY MUST ADMINISTER") AND HINTED THAT HIS GOVERNMENT WILL BEGIN CRITICIZING PQ IN EARNEST. IN ANSWER TO A REQUEST THAT HE CLASSIFY HIMSELF AS A PIERRE TRUDEAU "EUROPEAN CANADIAN" OR AS A WILLIAM DAVIS "ANGLO CANADIAN", CHRETIEN SAID SIMPLY "I AM A CANADIAN". THIS RESPONSE

WAS ENTHUSIASTICALLY RECEIVED BY HIS TORONTO AUDIENCE.
HE REAFFIRMED THAT HIS GOVERNMENT IS COMMITTED TO
ECONOMIC EQUALIZATION IN ALL OF CANADA'S DISADVAN-
TAGED PROVINCES, NOT JUST IN QUEBEC.

6. COMMENT: THE REPORTING OFFICER WAS ONE OF MINISTER
CHRETIEN'S SYMPATHETIC AUDIENCE, AT ONTARIO'S PREMIER
ENGLISH - LANGUAGE UNIVERSITY. CHRETIEN DEMONSTRATED
WHY HE IS BECOMING ONE OF THE MOST APPEALING OF THE
FEDERAL CABINET. HIS ENTHUSIASM, HUMOR, PATRIOTISM,
CONCERN AND COMMITMENT ARE OBVIOUS AND, AGAIN ON MON-
DAY CAPTURED HIS AUDIENCE.
DIGGINS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONAL UNIFICATION, SPEECHES, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TORONT00433
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780116-1135
Format: TEL
From: TORONTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780363/aaaacbne.tel
Line Count: 128
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 26374bc6-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3317705
Secure: OPEN
Status: NATIVE
Subject: CHRETIEN CAPTIVATES UNIVERSITY OF TORONTO AUDIENCE ON NATIONAL UNITY THEME
TAGS: PINT, ECON, CA, (CHRETIEN, JEAN)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/26374bc6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014